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May 12, 1975

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Eurogroup Decides To Initiate Dialogue with US

The defense ministers of nine European members of NATO agreed last week to seek talks with the US to get a better balance in the programs for military procurement and standardization of equipment.

The ministers also agreed to try once again to persuade France to cooperate with the Eurogroup, the informal caucus of most of the European members of NATO. France is not a member.

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The Europeans believe that they must sell equipment to the US in order to maintain a stable and technologically advanced European arms industry. They also believe that NATO's efforts to standardize equipment will be greatly aided if the US buys European.

The defense ministers also agreed that the Eurogroup should invite France to participate in the procurement and standardization projects being carried out under the group's auspices.

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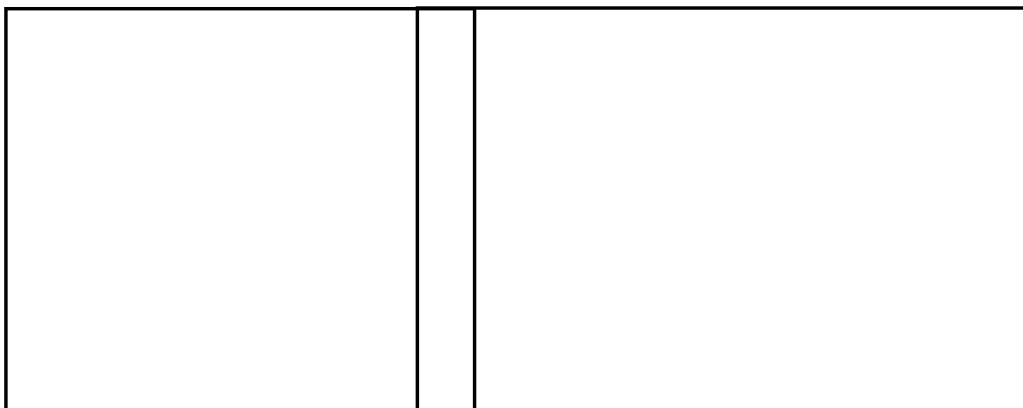
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Given French sensitivities and the desire of the Eurogroup members to obtain cooperation, those ministers who present the Eurogroup's proposals to France undoubtedly will avoid any language that the French might regard as threatening.

Previous Eurogroup efforts to obtain France's cooperation have failed. It would be a major policy change for President Giscard to alter France's attitude. At a minimum, Paris would be likely to require the Eurogroup states to make firm large-scale commitments to buy French military equipment.



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Canada Considering Withdrawal of Its  
NATO Ground Forces in Europe

The Canadian government, as part of its current defense review, is considering a plan to withdraw its NATO-committed ground forces in Europe and to limit its NATO commitment to modernized air and sea elements.

A press report on May 8 said the plan, drawn up by the Defense Ministry for cabinet consideration, calls for withdrawal of Canada's 2,800-man battle group from Europe, replacement of its European based CF-104 fighter-bombers with newer F-15s, and purchase of a fleet of new light patrol vessels to protect Canada's Atlantic sea route.

On May 9, Prime Minister Trudeau was questioned in the House of Commons about the press story, but he avoided giving a direct reply. On the same day, the ambassadors of the NATO countries queried External Affairs Minister MacEachen who reassured them that neither the Canadian government nor the public questioned the importance of NATO. Like the Prime Minister, he did not indicate whether elimination of the ground force was under consideration.

In response to US embassy inquiries, a Canadian Defense Ministry official has confirmed that the withdrawal of the ground forces is under consideration at the departmental level. He indicated that recommendations would not be made to the cabinet before the end of June.

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A Canadian official at NATO headquarters said that his Defense Minister and Chief of Staff would discuss Ottawa's defense review at meetings of NATO defense ministers and chiefs of staff on May 22 and 23.

The Canadian plan would be in line with earlier reports that the defense review would emphasize modernization of equipment even at the expense of some reduction in personnel. A reduction of Ottawa's UN peacekeeping contingents had been considered the most likely targets for reduction.

The US embassy in Ottawa believes it is unlikely that Canada would risk the appearance of reducing its NATO commitment at the same time that it is pursuing a policy of strengthening ties with Western Europe and seeking a "contractual link" with the EC.

A decision by Ottawa to withdraw its ground force contingent could have some far-reaching effects in NATO. Coming after earlier decisions by the UK, Italy, and the Netherlands to reduce some forces, and Greece's withdrawal from NATO's integrated military command, the withdrawal of even the small Canadian contingent could be viewed as another step in the gradual decline of the Alliance.

The NATO allies could argue that Canada, rather than making unilateral withdrawals, should seek to make reductions in the context of a possible force reduction agreement now being negotiated in Vienna. [REDACTED]

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